Office of the Internal Auditor

AUDIT REPORT

May 2024

CenterPoint Segregation of Duties - HCM Audit

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Executive Summary

Background

Citizens has processes and technologies to manage users' digital and professional identity, allowing access to Citizens' systems and information based on the associated user-assigned roles. Although access to information systems and data is limited to authorized users, specific user roles and system workflows may cause segregation of duty (SOD) challenges. These challenges occur when one user has been given two or more conflicting tasks, creating the opportunity for unauthorized transactions. Separating job functions through access capabilities ensures proper oversight and acts as a deterrent against fraudulent activities.

In 2018, Citizens completed the CenterPoint system implementation, an Oracle cloud-based Enterprise Resource Planning (ERP) application for managing operational business processes and activities such as financial, procurement, and human resources. The complexity of Oracle user roles and permissions has created challenges in managing elevated or privileged user roles that have segregation of duties concerns. Access management of these privileged user accounts is critical to ensure proper safeguards are in place to restrict sensitive data and minimize the risk of unauthorized system activity, while also enabling the business functions to perform work required to support the organization.

Objectives and Scope

This audit analyzed CenterPoint user access roles and permissions to evaluate the segregation of duties specific to Human Resource processes. The scope includes a review of the following:

- Cross-functional segregation of duties
- User account provisioning
- User access reviews and monitoring activities
- Security of confidential information

Audit Results

Internal Audit procured services provided by a third-party vendor using a proprietary tool that provided a comprehensive assessment for identifying conflicts in the segregation of duties. The assessment results were analyzed to evaluate the top high-risk roles and permissions within the Human Resources (HCM) module.

Following the completion of Internal Audit's analysis, the following instances were noted:

- Human Resources Information Management (HRIM) production support employees with elevated user roles and permissions have incompatible system access, resulting in segregation of duties concerns.

- HRIM is using a test/troubleshooting environment that does not comply with Citizens' access protocols.

Due to the critical and significant impact on the organization, quick action was taken to remove the privileged access, redesign HRIM roles, and develop a manual emergency access procedure to ensure only the necessary access was granted. Completing these improvement opportunities will reduce the risk of unauthorized modification or misuse of the organization's information assets and will increase the efficiency and effectiveness of access management. Management has

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completed the implementation of new security access protocols for the test environment, and Internal Audit is continuing to monitor the resolution of the role redesign remediation plan.

In addition, Internal Audit recommends enhancing the periodic user access reviews and logging and monitoring reviews, which have been discussed with management.

We thank management and staff for their cooperation and professional courtesy throughout this audit.

✉ Distribution

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